

# Art collector Mitchell Rales's grand design hangs up over sewer issue

By [Miranda S. Spivack](#), Published: July 9

Most of the guests knew each other. It was the host who was a mystery.

He was wealthy. That much they knew. His 200-acre Potomac estate, [called Glenstone](#), was surrounded by a long wood fence along Glen Road. Security officers checked IDs at the gate against a list that included many of the important figures in Montgomery County: members of the County Council and the school board, business leaders.

Once inside a gleaming white gallery, the guests stood in small groups, sipping wine and sparkling water, admiring what is widely viewed as one of the most extraordinary modern art collections in private hands.

Many had never before met their host, Mitchell Rales, who threw the party last September to honor Montgomery County's new public school superintendent, Joshua P. Starr, a man he did not know. After Rales introduced himself and the superintendent, he spoke of plans to make his multimillion-dollar modern art collection more accessible to the county's students.

The full scope of his ambitions for Glenstone did not become clear until recently, when the obsessively secretive billionaire sent an e-mail to many of those who attended the party. In it, he revealed his grand vision for Glenstone, which would include a new museum that would rival the size of the East Building of the National Gallery of Art.

But there was an obstacle in his way. Glenstone is seeking a hookup to the county's sewer system.

And now he needed something from them.

"Please help," the e-mail began.

## **A remarkable collection**

Washington may be home to some of the country's best museums, but there is nothing in the region quite like Glenstone.

Visitors drive down a quarter-mile private road past the outdoor sculptures and the man-made pond toward a modernist building that is itself a work of art.

Inside the 25,000-square-foot gallery is a remarkable art collection that includes works by Calder, Matisse and Rothko. Rusty Powell, director of the [National Gallery of Art](#), called

it “one of the world’s most important” collections of the post-World War II era. Kerry Brougher, chief curator of the [Hirshhorn Museum](#), said Glenstone is a “world-class destination.”

And yet it is “simply the best-kept secret in the Washington area,” said Eliot Pfanstiehl, head of Strathmore, the arts center in North Bethesda.

But only a small percentage of the collection assembled by Rales — No. 117 on the [Forbes 400 list](#) of wealthiest Americans and one of Art News’s top collectors in the world — can be viewed. There is no fee to enter the gallery, but it is open only on Thursdays and Fridays, by appointment, and for groups no larger than 20. Since Glenstone opened to the public in 2006, only 10,000 people have visited. Potential visitors must complete an online form that asks if they are journalists or connected to “the blogging community.” Cameras and note-taking are forbidden.

Now, Rales and his wife, Emily Wei Rales, Glenstone’s former curator, say they want more visitors to see their growing collection. They have decided to build another gallery, which at 125,000 square feet would dwarf Glenstone’s current exhibition space. If all goes as they plan, Glenstone, which is operated by the Glenstone Foundation, would join the Barnes in Philadelphia, the Phillips in Washington and the Frick in New York among the world’s premier privately owned galleries.

To achieve that, though, Rales, who co-founded the highly profitable [DanaHER Corp.](#), wants something that his \$3 billion in net worth cannot buy: a connection to the public sewer system.

Glenstone is in an area of Montgomery where, to help control growth, sewers are generally banned; instead, septic systems are used. The county planning board voted down Rales’s request in late May, citing environmental concerns and the risk of setting a precedent that could dismantle the sewer ban throughout the slow-growth area. Local environmental groups and some neighbors are opposed, noting that, at 3,000 feet, the sewer line would be one of the longest ever approved by the county and would run across an environmentally vulnerable stream.

“When we start allowing billionaires. . . to circumvent the law and the process to buy their way into what they want, I think there is a problem,” said Caroline Taylor of the Montgomery Countryside Alliance.

The planning board’s decision does not bind the County Council, which will begin a review of the issue Thursday and could vote later this month. The administration of County Executive Isiah Leggett (D) has endorsed Rales’s proposal. Ultimately, it will have to be approved by the state Department of the Environment.

## **Opening up**

As Rales has sought the sewer line, the reclusive billionaire has begun to introduce himself to the community. In addition to last fall's party for the school superintendent, Rales held several "meet and greets" at Glenstone with 650 neighbors. Leggett has visited; so has Maryland Gov. Martin O'Malley (D).

Since 2010, Rales has contributed \$4,000 to O'Malley, \$4,000 to Lt. Gov. Anthony G. Brown (D); \$4,000 to Leggett and \$1,000 to council member Valerie Ervin (D-Eastern County). Equity Group Holdings, a company affiliated with Rales, gave council members George Leventhal (D-At Large) and Craig Rice (D-Upcounty) \$500 each since 2010, according to Maryland campaign finance records.

Rales recently granted The Post the first interviews he has given in 27 years. (He has shunned the media since Forbes published an unflattering profile.)

It is a deliberate strategy to gain ground in unfamiliar territory, he said.

"I have never really had to engage politicians," Rales said. "In my business, we have just been able to do what we had to do and forge ahead. Here, it is a very different process. If we don't educate people and at least put our best foot forward, I would say, we have not served our foundation properly."

He added: "The governor has been here. He is a huge fan."

Several weeks ago, e-mails went out to those who had visited Glenstone, including guests at the party for Starr.

"Please help," one of them began. "We are planning to further our mission by expanding our galleries and landscape, increase our hours, and offer more visitors the option of spending time with us — always free of charge. In order to facilitate this expansion, Glenstone is seeking to connect to public sewer."

Within days, the County Council was flooded with letters of support — a three-inch stack in all, many of them using identical language. One was from Starr, the guest of honor at Rales's September party.

"Glenstone is still a young institution, but it is already well known and respected in the art community throughout the United States and Europe," the school superintendent wrote. "By allowing Glenstone to connect to public sewer, it will enable Glenstone to expand in an environmentally responsible way."

### **Identifying with outsiders**

During two interviews, Rales admitted he was nervous, but he stressed the point that he is devoted to the idea of opening up his estate to the public.

“I sit here and I say to myself, ‘I am 55 years old, I have had an incredible amount of good fortune in my life.’ I have had to make some choices about how to bestow some of that good fortune back to the world,” he said.

The Glenstone Foundation, which operates the gallery and owns the collection, could retain its tax-exempt status by continuing to loan art to museums, donate to nonprofit organizations, and never allow anyone in to see the collection, several tax experts said. But Rales said his goal is much broader than merely looking for some type of tax shelter.

Assuming a long life, he said, “I get to see people coming through here for at least 30 years and get to witness firsthand their experience, their smiles, their frowns.”

Rales grew up in Bethesda, the third of four sons of Norman and Ruth Rales. He was transfixed by baseball statistics and was a standout athlete in football, basketball and baseball at Walt Whitman High School. He did not grow up around art, or even spend much time at the national museums a few miles away.

Norman Rales, who was in the home-improvement business, focused his sons on business, not paintings. “We got our MBAs at the dining room table,” youngest brother Josh told the County Council last month.

Mitch and his eldest brother, Steven, eventually went into business with their father, who wasn’t interested in giving his sons anything for free. Eventually, the brothers struck out on their own, co-founding Danaher in 1984.

Headquartered a few blocks from the White House, the publicly traded company, named for a trout stream in Montana, is a darling of Wall Street. It records billions in revenue every year from manufacturing dental equipment, piping, wrenches, drill parts and equipment used in medical research. It has made Rales and his brother billionaires, landing both on the Forbes 400.

At the beginning of their careers, the brothers were ridiculed for their youth. An article in Forbes titled “Raiders in short pants” described them as “callow.” Looking back, Mitch Rales said they felt like “outcasts in the business world.”

And that, he said, led him to identify with the work of the modern artists, such as Willem de Kooning and Jackson Pollock, who operated outside of accepted norms.

“I kind of look at the abstract impressionists as being to the art world what my brother and I were to the business world,” said Rales, who sits on the board of the National Gallery. The artists were “almost treated as outlaws with what they did. It was the same thing for my brother and me. It was these two young guys doing what they were doing, people said, ‘Something must be wrong. They did not pay their dues.’”

Now, in addition to Glenstone, Rales owns homes on Central Park South in Manhattan and on Mount Desert Island off Maine, the longtime playground of the Rockefellers.

Over the years he has expanded Glenstone, spending at least \$28 million to acquire more than a dozen adjacent properties, according to public records, and creating an even bigger buffer against the outside world.

Rales and his wife say that the sewer hookup is a key element of their long-term plan for the estate, which includes using the exterior landscape, maintained with organic turf, as a large gallery to display huge sculptures. They could go ahead with their expansion plans without approval of the sewer hookup. But the life span of a septic system is between 25 and 50 years, and the eventual need to replace it could disrupt exhibition space and alter plans for the design of the new gallery, they said.

“It is going to take us 10 years to get it just the way we want to get it, once we open the doors,” he said.

Alan Spoon, a former Washington Post Co. president, a Danaher board member and now a venture capitalist in Boston, said Rales is a highly strategic thinker.

“Only occasionally will Mitch pipe up. Listen closely — what you get is the mental calculator working how this plays out over five or 10 or 15 years,” said Spoon, a friend of the brothers.

And when bidding on art, Rales brings his business acumen, Spoon said.

“He is Cool Hand Luke,” he said. “He knows what he wants, what his price is, and if he doesn’t get it he doesn’t go away pounding the wall.”

Neil Crespi, a friend who also handles Rales’s investments, said he was stunned that Rales agreed to be interviewed.

“He is going through something very tough for him,” Crespi said. “He wants to have the ability to have more of the world share his great fortune. . . . He is doing something he hates doing. He must really want this to get through.”

### **Supporters and opponents**

If the sewer is approved, Glenstone would bear the cost of construction. But maintenance of the public portion — the 1,500 feet of sewer line that would link Glenstone to the public sewer — would be borne by ratepayers, although a council staff member said the cost would be “negligible.”

At the council hearing on the sewer request last month, several prominent members of Washington’s arts community testified. Pfanstiehl, the head of Strathmore, said the Raleses “have changed lives. I think that is a higher calling than managing plumbing.”

Approval, though, is by no means certain. Some neighbors have been actively campaigning against the sewer request. “Since money is no object, why not an onsite sewage treatment plant?” said Ginny Barnes, an artist and a longtime activist in Potomac.

Council President Roger Berliner (D-Potomac-Bethesda), whose recent fundraiser listed Josh Rales as a co-host, is being buffeted by constituents on both sides of the debate.

Still, Rales is looking far ahead.

“We expect this building,” he said, “to last hundreds of years.”

Jennifer Jenkins contributed to this report.